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Clayton Chemical Co.

18 January 1994

On December 30, 1993 the Clayton Chemical Company was purchased by Emerald Environmental LLC. Clayton has been active for over 30 years in waste-oil processing and reuse, spent solvent recovery, and waste treatment and management. In the 1970's, with the development of federal and state regulations governing hazardous waste management, Clayton Chemical pioneered in developing "resource recovery" waste utilization and reuse.

The acquisition of Clayton Chemical by Emerald Environmental carries with it highly significant changes in the way Clayton Chemical management works with its clients to protect their near-term and especially long-term interests in the management of hazardous and non-hazardous solid and liquid wastes, and changes in its commitment to meet the environmental and other applicable regulations governing its operations.

Emerald Environmental is a wholly owned subsidiary of the Emerald Group, a Phoenix based master limited partnership with 4,800 public investors. As president of Clayton Chemical, Emerald Environmental, and the Emerald Group of companies, I want to assure you that we will be working daily to further develop relationships which are based on mutual benefit and the highest degree of quality and integrity.

One of our first proactive steps to prove our commitment to you has been to bring on board Drs. G. Fred Lee and Anne-Jones Lee as Emerald's Environmental management consultants with the specific responsibility for advising and assisting Clayton to implement programs to ensure proper third party review of our operations. A summary of their qualifications is attached for your review.

We appreciate your past business with Clayton and sincerely look forward to taking immediate positive steps to substantially increase the volume of Clayton's activities. I ask that you please call me to discuss the time when we might be able to sit together to discuss the possibility of Clayton working together with you for the proper management of environmentally sensitive waste streams.

Best regards,

Richard E. Lee
President

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